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DEPARTMENT FOR AF/E
LONDON AND PARIS FOR AFRICA WATCHER

E.O. 12958: DECL: 02/18/2018
TAGS: [ECON](#) [PREL](#) [ER](#)
SUBJECT: WORLD BANK: PROGRAMS IN ERITREA

Classified By: Ambassador Ronald K. McMullen for reason 1.4 (d)

¶1. (SBU) Summary: Poloff met with visiting World Bank Economist Tracy Lane and Eritrean World Bank Country Director Chris Lovelace on February 14 to discuss FY2008 and proposed FY2009-2010 projects in Eritrea. Lane discussed two repeat projects, time tables, and costs, as well as the Bank's strategy for working with the Government of the State of Eritrea (GSE). She also sought Department assistance to influence the American Executive Director to support the Bank's plan. End Summary.

¶2. (SBU) Lane informed Poloff the World Bank's proposed assistance will not include good governance and transparency projects due to the GSE's complete lack of interest in macroeconomic reform. Instead, the Bank will pursue a pragmatic approach, stressing repeat projects directly helping Eritrean people and allowing the Bank to stay engaged in the country. In FY2008, twenty-five million dollars has been proposed to extend the national electrical grid to 21 additional villages and stock spare parts for diesel generators. (Note: This funding continues a World Bank project which has already connected 59 villages to the grid. End Note.) Twelve million dollars has been proposed to continue Integrated Childhood Development projects, which include education, health, and vaccination programs. The entire thirty-seven million must be allocated by June 2008 in order to avoid forfeiture; GSE stalling caused the delay, which has condensed a six-to-eight month process into four months.

¶3. (SBU) Future proposed projects for FY2009 through FY2010 include upgrading the national telecommunications infrastructure by laying fiber optic cable between Eritrean cities, with the GSE funding the international connection, presumably using one of the underwater Red Sea cables. Other World Bank projects include paying salaries for expatriate professors providing instruction at tertiary schools and installation of solar powered irrigation systems.

¶4. (SBU) Lane requested Department support in lobbying the American Executive Director of the World Bank to support their Eritrean strategy. She stressed that low risk/low return projects were the best way to maintain Bank engagement in Eritrea. Poloff informed Lane that the Embassy would relay her request to the Department.

¶5. (C) Comment: The GSE has proven a notoriously difficult partner in programs not included as priorities in its own

national plans. Further, it will not support any donor-driven good governance or democracy program. The World Bank's low risk program approach seeks to maintain its presence during an extremely difficult political period while providing greatly needed assistance to a deprived and oppressed population. End Comment.
MCMULLEN